

Services Division

Committee on China

Committee Minutes - 163d Meeting - 12 March 1958

D/S Representatives:

25X1A9a

Guests: 25X1A9a

S/TR discussed certain aspects of the transport sector of the economy. The substance of their discussion follows in items 1 and 2 below.

1. In a speech on 3 February 1958 Vice Premier Po-I-po indicated that the 1957 transportation plans for railways, highways, inland waterways, and coastal shipping had all been overfulfilled. In 1957 railway ton-kilometer performance increased by 11.8 percent, highway ton-kilometer performance by 8.4 percent, inland waterway ton-kilometer performance by 21.4 percent and coastal shipping ton-kilometer performance by 29.2 percent.

Comment: In respect to railroads a 1.8 percent increase in average length of haul resulted in a slightly larger percentage increase in ton-kilometers than in tons originated in 1957. Average length of haul increased from 489 km in 1956 to 498 km in 1957. In respect to highway traffic average length of haul decreased by 18 percent from 44 km to 36 km. It is difficult to say at this time whether this is a reflection of the gasoline shortage, combined with an improvement in truck utilization, or whether it is due to the improved service to remote areas supplied by the new railroad lines. ~~SECRET~~

2. Analysis of the unusually large amount of Chinese Communist railroad data which has recently appeared in Bloc publications reveals a considerable number of discrepancies. A 69-page series of articles in the October '57 issue of Zheleznodorozhnyy Transport had statistics which not only varied from those in Chinese publications but were inconsistent from page to page of the one magazine. The December issue of Deutsche Eisenbahn Technik displayed even greater originality. Some conflicts were also found among figures published within China. Most of the differences in figures were small and some of the clearly incorrect figures tended to belittle rather than exaggerate the actual accomplishments. The conclusion is that the errors are not deliberate and have no propaganda intent, but rather that they are due to very careless editing. ~~SECRET~~

25X1A9a

S/TR, #2370.

S-E-C-R-E-T

3. The Chinese announced on 7 February a projected branch railroad line from Lienchiang on the Litang-Fort Bayard line to Maoming, site of a projected synthetic petroleum refinery. The line would in future probably be extended to Canton via the new double-decker bridge projected across the Pearl River. ~~CONFIDENTIAL~~

25X1X7

~~CONFIDENTIAL~~; ~~CONFIDENTIAL~~ S/CST, x4597 25X1A9a

4. The Railroad Engineering Corps of the PLA will lay 5,000 km of track in the Second Five Year Plan, or double its original goal for this period.

Comment: This statement by the Chinese implies that either the total track-laying goal of 8,000 km for this period will be increased or that the Corps will increase its proportion of total tracklaying above the 47.7 percent level it attained during the First Five Year Plan (1953-57). ~~CONFIDENTIAL~~

25X1A9a

~~CONFIDENTIAL~~ S/CST, x4597

5. In their campaign to move surplus urban population into the rural areas, the Chinese Communists have announced that 1,300,000 office workers and 433,000 dependents of military personnel have been moved out of the cities as of February 1958. This retrenchment program is expected to continue through May. OFF USE

25X1A9a

~~CONFIDENTIAL~~ A/P, x2305

6. Electric power production in 1957 was 19.03 kwh as compared with the original plan of 15.9 billion kwh. The average annual increase during the First Five Year Plan period was 21.2%. The plan for 1958 calls for a production of 22.45 billion kwh although there has been a statement that this will be surpassed by over a billion kwh. The 1962 goal will probably be about 50 billion kwh. The Chinese aim to surpass Great Britain in 1972 with 240 billion kwh. This would require a 22 percent annual increase from 1957-1962 and a 17 percent annual increase from 1962-1972. As of 1957 it is estimated that 23 percent of the production of electricity is from hydro-electric power plants. This is supposed to increase to 28 percent in 1962 and 40 percent by 1967.

The 1958 plan calls for an increase of 900,000 kw installed capacity. Workers have pledged to surpass this by adding 1,000,000 kw. During the Second Five Year Plan about 6 million kw are supposed to be added. The electric power production goals should be reached for the period up to 1962. It will be necessary to attain a large increase in capacity to reach the 1972 production goal. With increased indigenous production of equipment and materials and with foreign aid, especially during the early part of the period, the long-range goals for capacity and production may be possible.

- 2 -

S-E-C-R-E-T

S-E-C-R-E-T

According to a recent statement, coal production will reach 900 million tons by 1972. This is more than any country of the world produces now and seems far too ambitious. The construction necessary would make such a goal difficult to attain and, moreover, it seems improbable that the economy will be able to utilize that much coal by 1972. ~~SECRET~~

25X1A9a

~~SECRET~~ M/TF, x3604

Agenda:

18 March ~~SECRET~~, St/I/C, will discuss the functions of his staff. Room 1125 M at 1400.

25X1A9a

25X1A9a

25X1A9a

RR/S/TF: ~~SECRET~~ :cw/3098 (12 Mar 58)

- 3 -

S-E-C-R-E-T